

Senate Bill 482

By: Senator Hudgens of the 47th

**AS PASSED SENATE**

**A BILL TO BE ENTITLED**

**AN ACT**

To amend Code Section 33-59-2 of the Official Code of Georgia Annotated, relating to definitions relative to life settlements, so as to revise certain definitions; to provide for related matters; to repeal conflicting laws; and for other purposes.

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

**SECTION 1.**

Code Section 33-59-2 of the Official Code of Georgia Annotated, relating to definitions relative to life settlements, is amended by revising paragraph (24) as follows:

"(24) 'Stranger originated life insurance' is a series of acts or a practice to initiate a life insurance policy for the benefit of a third-party investor who, at the time of policy origination, has no insurable interest in the insured. Stranger originated life insurance acts or practices include, but are not limited to, cases in which life insurance is purchased with resources or guarantees from or through a person or entity who, at the time of policy inception, could not lawfully initiate the policy himself or herself or itself, and where, at the time of inception, there is an arrangement or agreement to directly or indirectly transfer the ownership of the policy or the policy benefits to a third party. Trusts that are created to give the appearance of insurable interest and are used to initiate policies for investors violate insurable interest laws and the prohibition against wagering on life. Stranger originated life insurance arrangements do not include otherwise lawful life settlements or those practices set forth in subparagraph (C) of paragraph (11) of this Code section."

**SECTION 2.**

All laws and parts of laws in conflict with this Act are repealed.